GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2540
ANSWERED ON:09.12.2011
NORMS OF HEALTH INSURERS
Shetkar Shri Suresh Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government/Insurance Regulatory Development Authority (IRDA) has framed/proposes to frame new norms with regard to change of their health insurers by the policy holder;

(b) if so, the details thereof;

(c) in the manner in which the said norms are likely to be helpful to the policy holders;

(d) whether the views of the experts in this field were sought; and

(e) if so, the details thereof and the extent to which their views have been incorporated?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Insurance Regulatory and Development Authority (IRDA) has issued guidelines vide circular dated 9.9.2011 implementing portability of health insurance policies amongst non-life insurance companies w.e.f. 1.10.2011. The health insurance policy holder by virtue of the said circular can, at the time of renewal, switch:-

i) from one insurance company to another insurance company of his choice; or

ii) from one insurance plan to another insurance plan with the same insurance company. By the process, the policy holder will not lose the credits gained in terms of waiting periods for pre-existing conditions, time-bound exclusions, etc,

(c); The Health Insurance Policy Holder can at the time of Renewal of his/her policies can shift to another Insurance Company for a similar product, if he is not satisfied with the present Insurance Company for any reason, without losing the Credits gained, if renewed with the existing company. This was not the case earlier; because change in insurance company or plans amounted to loss of these credits and the policies started as new, carrying all time limitations afresh.

Thus `Portability` helps to have a level playing field for all insurance companies and the Customer can choose and compare benefits across products and Companies. IRDA has also provided a portability portal facilitating easy data transfer between the insurance companies.

(d) & (e): The views of the General Insurance Council and Life Insurance Council were taken into account by IRDA while finalizing the Portability circular dated 9.9.2011.